

## **REMARKS/ARGUMENTS**

By this paper, Applicant replies to the Office Action of April 9, 2009 and respectfully requests reconsideration of the application.

Claims 1, 23, 25, 27, 32, 33, 37, 43, 50-53, and 55-77 are now pending, a total of 35 claims. Claims 1, 23, 25, and 37 are independent.

### **I. Claims 13, 23, 25, and 37**

Paragraph 5 of the Office Action compares claim 13 to the combination of Gianakouros '901, Anthonyson '624, and the Forex document. Claim 13 recites as follows

13. A data processing system, comprising:

a plurality of communications links designed to communicate trade information to and from a plurality of workstations, the trade information comprising information describing orders in an electronic market for **financial instruments** offered for sale or bid to buy, at least some of the trade information to be presented to the workstations; and

a commission processor programmed to receive information relating to execution of trades in the financial instruments, and to determine a commission payable by a customer to a trade, or to apply a credit against commission fees to the customer, pursuant to an agreement between the customer and an operator of the electronic market, the agreement providing for **commissions payable to the electronic market for brokerage of trades in the financial instruments**, the commissions to vary based at least in part on one or more characteristics from the group consisting of the time of the trade, day of the trade, location of a trade, and the customer trading location.

The Office Action acknowledges that Gianakouros '901 does not show a commission based on time, day, location of trade, or customer location. The Office likewise makes not attempt to show that any other reference shows a commission payable to a broker based on time, day, location of trade, or customer location. Instead, the Action compares a commission to Anthonyson's price payable to a seller.

#### **A. The Claims Recite “Commissions” to Brokers Based on Factors that Are Absent from the Art**

Barrons' Dictionary of Finance and Investment Terms (5th Ed.) gives the following definition of “Commission”:

**COMMISSION Securities:** fee paid to a broker for executing a trade based on the number of shares trades or the dollar amount of the trade. ...

A “commission” by definition requires three parties, a buyer, a seller, and a broker. (The amendment to the claims to explicitly recite that the commission is paid to the broker, instead of to the seller, is not a narrowing amendment.) A “broker” is neither the buyer nor the seller of the thing sold. A “commission” is not the same thing as the price paid to the seller. The analogy attempted in the Office Action between a “price” paid to Anthonyson’s seller and the “commission” paid in the claim is inapt.

The art now of record does not show “commissions payable to a broker of trades … to vary based [on] the time of the trade, day of the trade, location of a trade, [or] the customer trading location.” When a claim element is entirely absent from the art, a claim is not obvious.

#### **B. The Office Action Shows No “Substantial Evidence” Support for “Motivation to Combine”**

At the top of page 4 of the Action, the Examiner speculates that “it would have been obvious to … combine the disclosure of Gianakouros …” for reasons that are based solely on the Examiner’s speculation.

As an agency fact-finder (and not an Article III court) governed by Chapter 5 of the Administrative Procedure Act, the Examiner may only rely on “substantial evidence.”<sup>1</sup> The PTO may not rely on “irresponsible admission and weighing of hearsay, opinion, and emotional speculation in place of factual evidence” or “suspicion, surmise, implications, or plainly incredible evidence.”<sup>2</sup> Examiner speculation arising long after the filing date is not § 102 evidence, let alone substantial evidence.<sup>3</sup> Speculation about what might be desirable is not “substantial evidence” of obviousness.<sup>4</sup> The Supreme Court instructs that federal agencies may

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<sup>1</sup> *Universal Camera Corp. v. Nat'l Labor Relations Bd.*, 340 U.S. 474, 487–88 (1951); *In re Gartside*, 203 F.3d 1305, 1312, 53 USPQ2d 1769, 1773 (Fed. Cir. 2000).

<sup>2</sup> *Universal Camera*, 340 U.S. at 478–79.

<sup>3</sup> *In re Dembiczak*, 175 F.3d 994, 999–1000, 50 USPQ2d 1614, 1617 (Fed. Cir. 1999) (a showing of combinability must be “clear and particular,” and broad conclusory statements about the teaching of references are not “substantial evidence”).

<sup>4</sup> *JKS Int'l Inc. v. Teleflex Inc.*, 550 U.S. 398, 418, 82 USPQ2d 1385, 1396 (2007) (court must look to objective evidentiary sources “in order to determine whether there was an *apparent* reason to combine the known elements in the fashion claimed by the patent at issue,” emphasis added); *z4 Technologies v. Microsoft Corp.*, 507 F.3d 1340, 1352, 85 USPQ2d 1340, 1349 (Fed. Cir. 2007) (an obviousness challenge fails “because the only direct evidence of obviousness introduced by [the challenger] was the conclusory testimony of its expert. … [I]t fails to identify specific evidence or

not rely on “irresponsible admission and weighing of … opinion, and emotional speculation in place of factual evidence” or “suspicion, surmise, implications, or plainly incredible evidence.”<sup>5</sup> The examiner may not substitute “expertise” for substantial evidence.<sup>6</sup>

The Office Action makes no showing that motivations that might apply to the *market for a good or service* have any application in the market for *brokerage services* of the goods or services. The two markets are quite disconnected. Sometimes, the supply and demand for the two move in opposite directions: for example, in a falling market, sellers who want to sell their holdings urgently move their trades from lower-cost brokers to higher-cost brokers – while the price of the shares is falling, the average commission rises. The Office Action makes no showing that Anthonyson '624 has any applicability to the market for brokerage services, let alone a showing supported by substantial evidence.

Likewise, the claims are directed to trades in “financial instruments.” Trading in financial instruments is heavily regulated. One working in the field of trading of financial instruments would not look to an unregulated industry like parking. To show that Anthonyson '624 is “analogous art,” the examiner must show a “field of endeavor” or “particular problem,” not a principle of operation.

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arguments establishing even a *prima facie* case of obviousness under the factors outlined in *Graham v. John Deere Co.*”—unlike expert testimony, an examiner’s opinion is not “evidence”; *In re Lee*, 277 F.3d 1338, 1342, 61 USPQ2d 1430, 1434-35 (Fed. Cir. 2002) (“Conclusory statements … do not adequately address the issue of motivation to combine. … [T]he factual question of motivation is material to patentability, and [can] not be resolved on subjective belief and unknown authority.”); *In re Zurko*, 258 F.3d 1379, 1385, (Fed. Cir. 2001) (“This assessment of basic knowledge and common sense was not based on any evidence in the record and, therefore, lacks substantial evidence support.”).

<sup>5</sup> *Universal Camera*, 340 U.S. at 478, 484, 488.

<sup>6</sup> *In re Zurko*, 258 F.3d 1379, 1386, 59 USPQ2d 1693, 1697 (Fed. Cir. 2001) (The Board’s “expertise may provide sufficient support for conclusions as to peripheral issues. With respect to core factual findings in a determination of patentability, however, the Board cannot simply reach conclusions based on its own understanding or experience — or on its assessment of what would be basic knowledge or common sense. Rather, the Board must point to some concrete evidence in the record in support of these findings,” to satisfy the substantial evidence test); *see also Brand v. Miller*, 487 F.3d 862, 868-69, 82 USPQ2d 1705, 1709 (Fed. Cir. 2007). The holding of *Brand v. Miller* is limited to *inter partes* proceedings, and expressly declines to decide the issue for *ex parte* proceedings. However, the administrative law principles underlying *Brand* leave no apparent room to distinguish *ex parte* appeals.

**C. The April 2009 Office Action Applies an Incorrect Legal Test for “Nonanalogous Art,” Thereby Conceding that Anthonyson’624 is Not Available as an Obviousness Reference**

Applicant’s paper of January 2009 showed that the “field of endeavor” of Anthonyson ’624 is not the same as the “field of endeavor” of this application, and that the “particular problem” of Anthonyson ’624 is not “reasonably pertinent” to the particular problem addressed by the invention.

The Action, by silence, agrees with these two showings. Instead, the Office Action coins a new test for “analogous art,” that surface similarity in some attribute *other than the field of endeavor or particular problem* is “obvious:”

9. In response to applicant’s argument that (citation page 10/14) secondary reference Anthonyson (US 5,414,624) is nonanalogous art, it has been held that a prior art reference must either be in the field of applicant’s endeavor or, if not, then be reasonably pertinent to the particular problem with which the applicant was concerned, in order to be relied upon as a basis for rejection of the claimed invention. See *In re Oetiker*, 977 F.2d 1443, 24 USPQ2d 1443 (Fed. Cir. 1992). In this case, both the invention and the prior art charging different fee for different time is based on the time of usage which is obvious is based on the demand.

The Office Action does not follow the relevant test. The Action does not identify any “field of endeavor,” let alone one that is common to both this applicant and Anthonyson ’624. Nor does the Action identify a “particular problem” that might support analogous art. Nor does the Action contradict the showing in the previous paper that the relevant “fields of endeavor” and “particular problems” are different.

The analysis applied in the Office Action is not relevant to the legal test. Further, it is circular and illogical to conclude that something is “obvious because it is obvious.”

**II. Conclusion**

Applicant hereby authorizes the USPTO to communicate with any authorized representative concerning this application by electronic mail.

A Petition for Extension of Time extends time through February 11, 2010. Accordingly, this paper is timely.

In view of these remarks, Applicant respectfully submits that the claims are in condition for allowance. Applicant requests that the application be passed to issue in due course. The Examiner is urged to telephone Applicant's undersigned counsel at the number noted below if it will advance the prosecution of this application, or with any suggestion to resolve any condition that would impede allowance. In the event that further extension of time is required, Applicant petitions for that extension of time required to make this reply timely. Kindly charge any additional fee, or credit any surplus, to Deposit Account No. 50-3938, Order No. 01-1016.

Respectfully submitted,  
BGC PARTNERS, INC.

Dated: February 11, 2010

By: /David E. Boundy/  
Registration No. 36,461

BGC Partners, Inc.  
110 East 59th St.  
New York, NY 10022  
(212) 294-7848